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MESSAGE FROM THE CHAIR TO THE MINISTER RESPONSIBLE

I am proud of the achievements of Tourism British Columbia over this past year. The Corporation continues to be recognized as one of the leading Destination Management Organizations in North America. In addition to talented professionals leading the organization's marketing initiatives, the Board of Directors has adopted the highest standards of governance and accountability. Together, the board and its staff are working to achieve even higher standards of performance.

Significant progress was made towards achieving the goal of \$18 billion in tourism revenues by 2015, with an estimated increase for 2007 of 4.7% to \$10.6 billion. A further sign of positive growth was the accomplishment of a 7.9% increase in province-wide hotel revenue, which represents one of the key indicators of overall tourism performance.

At the British Columbia Tourism Industry Conference in February, Tourism British Columbia introduced *Tourism 2.0*, a new business model for working with regional and community partners. The fundamental principle of Tourism British Columbia's partnership programs is to build tourism business throughout British Columbia in a way that is inclusive of industry and achieves more collectively than independently.

The *Tourism 2.0* model combines regional strengths with the international reach that Tourism British Columbia can deliver.

Among the goals for *Tourism 2.0* are to:

- Build stronger relationships between communities, the regions and Tourism British Columbia.
- Create efficiencies specific to trade, media, regional community programs and online marketing, to ensure we make a bigger impact as a destination when selling our tourism experiences within a very competitive marketplace.
- Leverage Tourism British Columbia's existing resources, such as **HelloBC.com**.

Tourism 2.0 is a key element of Tourism British Columbia's comprehensive strategy to maximize the benefits of hosting the Vancouver 2010 Olympic and Paralympic Winter Games. This strategy is based on specific activities supporting three key stages. Some of the priorities for each stage include:

Stage One - Preparation

- Communities – a key part of Tourism British Columbia's strategy is to lay the ground work in British Columbia so that all communities can take advantage of the anticipated growth. In fiscal 2007/08, 143 communities worked directly with Tourism British Columbia in developing marketing plans.
- Visitor Centres – the British Columbia Gateway Visitor Centre in Osoyoos was officially opened by Premier Gordon Campbell in Summer 2007, with new construction planned for Gateway Visitor Centres at Peace Arch, YVR and Merritt. These new centres will improve the quality of visitor servicing at the key access points, and meet the provincial government's new standards for green design. Currently, over 13,000 businesses are represented in the 109 Visitor Centres province-wide.
- First Nations – Tourism British Columbia continued to work with Aboriginal Tourism Association of British Columbia (ATBC) to implement key elements of the *Aboriginal*

Tourism Blueprint Strategy, as part of the corporation's \$5 million investment in this important sector. In Spring 2008, the first 16 graduates of a "Train the Trainer" program, *Aboriginal Trailblazers*, was launched.

- Experiences BC – this innovative program provides a platform for key sectors to partner with Tourism British Columbia on development and marketing. Among the sectors engaged are Nordic, history and heritage, river outfitters, camping and RV, dive, mountain biking, back country lodges and Rails to Trails. A major campaign for wine and culinary tourism was also launched in 2007 including print, travel media, internet and social media elements.
- Accessibility – one of the goals of the Vancouver 2010 Olympic and Paralympic Winter Games is to be the most accessible Games. In partnership with the Ministry of Employment and Income Assistance, the Ministry of Tourism, Sport and the Arts, the British Columbia Hotels Association, 2010 Legacies Now, Tourism Vancouver, Tourism Richmond, Tourism Whistler and the six tourism regions, 3,000 accommodation properties will be inspected and have corresponding accessibility certifications prior to 2010.
- BC150 – Tourism British Columbia has been supporting BC150 activities through editorial and full page features in key publications, web listings and a special commemorative editorial feature in **British Columbia Magazine™**.

Stage Two – The Olympic Destination

- Destination Brand – Further energize the **Super, Natural British Columbia®** brand in international markets by capitalizing on Olympic and Paralympic theming before and during the Games. The first integrated messaging including use of the Host Province logo and content was in Tourism British Columbia's 2007/08 ski campaign, which promoted British Columbia's 12 export-ready ski resorts. **Share the Excitement!™** was introduced to leverage the 2010 Winter Games and create a positive association with ski experiences in British Columbia.
- Online – Tourism British Columbia continued to see a strong response to online strategies including a 27% increase in traffic to **HelloBC.com** of 6.3 million visitors, and further expansion into social media environments such as MySpace and Facebook. New websites for the United Kingdom and Australia markets were planned, developed and launched using the core Consumer Web Platform, including hundreds of pages of unique market specific content. Increased investment in search engine optimization and marketing resulted in 1.7 million visitors referred from search engines, an increase of 65%.
- Media Relations – advertising equivalency exceeding \$140 million is estimated in media coverage outside British Columbia. Over 200 individual press trips were supported through the year, and British Columbia represented 27% of all Canadian print coverage tracked by the Canadian Tourism Commission in 2007. Activities specifically focused on the Vancouver 2010 Olympic and Paralympic Winter Games were initiated and will continue to build.

Stage Three – Beyond 2010

- Technology – Tourism British Columbia's vision for technology is a critical foundation for the Corporation's marketing, as an enabler to get the right destinations, experiences and product information to consumers around the world through individual preferred channels of communication. Utilizing the increased awareness of British Columbia generated by hosting the Games, Tourism British Columbia will further leverage its technology platform to enable expansion in a number of key areas:
 - Increased content through the involvement of communities and industry.

- Utilize the consumer website platform by developing more foreign-language websites.
- Enhance functionality.
- Package content specifically for mobile devices.
- Develop personalized marketing, direct to individual consumers.
- New markets – increased awareness from the Games will help in expanding into new markets such as India.

To date, indicators show that the provincial tourism industry is on track to achieve its projected growth, though a variety of challenges exist – air access, border crossings, passport requirements, and labour shortages. The industry has been able to overcome many of these challenges with support from government, and creative solutions, including diversification of markets, and improved partnerships. It is important to note that the Ministry of Tourism, Sport and the Arts' comprehensive *Tourism Action Plan* identifies these issues, and Tourism British Columbia is doing its part to fulfill the organization's responsibility towards positive outcomes.

The *2007/08 Annual Report* was prepared under the board's direction in accordance with the *Budget Transparency and Accountability Act* and the British Columbia Reporting Principles. The board is accountable for the contents of the report, including what has been included in the report and how it has been reported.

The information presented reflects the actual performance of Tourism British Columbia for the twelve months ended March 31, 2008 in relation to the February 2007 Service Plan. The measures presented are consistent with Tourism British Columbia's mandate, goals and strategies, and focus on aspects critical to the organization's performance.

The board is responsible for ensuring internal controls are in place to ensure performance information is measured and reported accurately and in a timely fashion.

All significant decisions, events and identified risks, as of June 2, 2008, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate, direction, goals, strategies, measures or targets made since the February 2007 Service Plan was released and any significant limitations in the reliability of data are identified in the report.

On behalf of the Board of Directors, I would like to offer my sincerest gratitude to the staff of Tourism British Columbia for all their efforts, particularly as we take on the growing challenges of maximizing every tourism opportunity associated with hosting the Winter Games in 2010. In addition, I would like to recognize the ongoing support and leadership of the Minister of Tourism, Sport and the Arts and his staff for helping Tourism British Columbia achieve its organizational goals.



Allen Tozer, Chair, Board of Directors

ORGANIZATIONAL OVERVIEW

Tourism British Columbia's **vision** is to be a recognized world leader in tourism destination management. Our **mission** is to ensure quality visitor experiences that grow the success of British Columbia's tourism industry.

Tourism British Columbia became a Crown corporation in June 1997. The mandate of Tourism British Columbia, as defined under the *Tourism British Columbia Act*, is to:

- Market British Columbia as a tourism destination.
- Provide information services for tourists.
- Encourage enhancement of standards of tourist accommodation, facilities, services and amenities.
- Enhance professionalism in the tourism industry.
- Encourage and facilitate the creation of jobs in the tourism industry.
- Collect, evaluate and disseminate information on tourism markets, trends, employment, programs and activities, as well as on the availability and suitability of infrastructure and of services that support tourism activities.
- Generate additional funding for tourism programs.

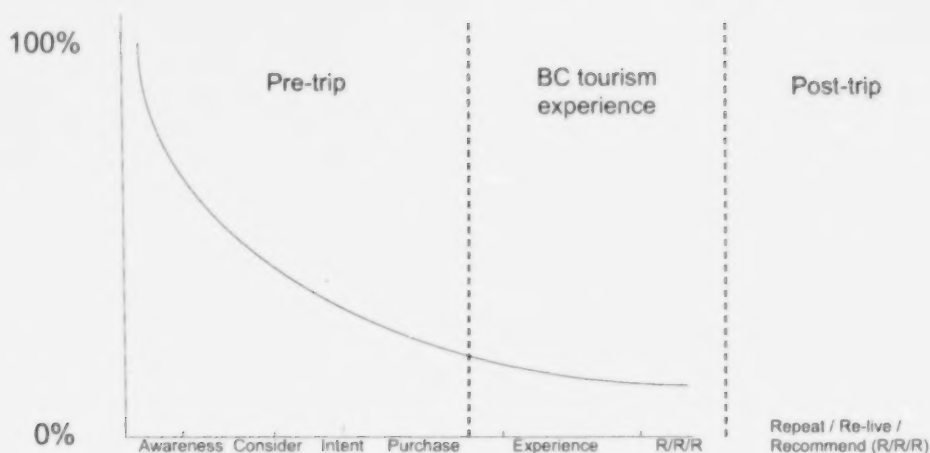
Corporate Values

- Integrity – what we bring as individuals
- Enthusiasm – what we portray
- Teamwork – how we work together
- Progressive – what we strive for

These values reflect Tourism British Columbia's strong commitment to disciplined management practices and accountability, while ensuring a positive corporate culture. Recently, the corporation was the only public sector organization recognized in *Canadian Business Magazine's* top 50 "Best Workplaces in Canada" survey. With employees confirming their confidence in the organization's leadership and practices, Tourism British Columbia continues to demonstrate qualities of a highly effective organization.

Tourism British Columbia has strategically aligned all business activities along the Tourism Marketing Curve which reflects the process as consumers convert from 'awareness' of a travel destination through to 'consideration' onto 'intention' and finally to 'purchase' of a travel product.

Tourism Marketing Curve:



- The Marketing division develops consumer and trade promotion marketing strategies and programs based on consumer needs in key geographic markets to increase demand for British Columbia as a preferred travel destination. All activities are integrated and strategically targeted to help move the consumer through the purchase cycle of awareness, interest, purchase, and then ongoing repeat purchase or word of mouth recommendation. The primary goal of this division is to “attract more visitors”.
- The Visitor Services division strategically continues the tourism marketing curve with its primary goal being to conveniently connect consumers to tourism products. This is accomplished by providing information and sale of tourism products to travellers via each Visitor Centre, **HelloBC.com**, 1-800 **HELLO BC**[®], information service and worldwide distribution of British Columbia travel guides. In addition, Tourism Product Management registers accommodation facilities, attractions and services in Tourism BC marketing programs and undertakes inspection and rating programs with accommodation properties featured in the *British Columbia Approved Accommodation Guide* and on **HelloBC.com**.
- The Business Development division’s goal is to create a world class experience to encourage repeat visits. Its programs focus on providing useful tools for tourism businesses and communities to help grow their business opportunities. The division is also responsible for providing research to industry partners for the measurement, evaluation and management of growth in all sectors, developing new revenue-generating opportunities and the award-winning **British Columbia Magazine**[™].
- Tourism British Columbia is strongly committed to disciplined management practices and accountability, while ensuring a positive corporate culture. Through the development and implementation of efficient financial, administrative, information and human resource systems, our Corporate Services and Human Resource Development continue to contribute to the positive performance of the organization.

To effectively deliver the various programs and tactics aligned along the marketing curve, Tourism British Columbia conducts business from primary offices in Vancouver and Victoria, in

addition to maintaining in-market representation in key markets including Australia, Germany, Japan, the United Kingdom, South Korea, Taiwan and China.

Tourism British Columbia optimizes many of its services and programs by leveraging resources through various partnerships, including regional and city destination marketing organizations (DMOs), product sectors, Visitor Centres and other tourism organizations at the federal and provincial level.

CORPORATE GOVERNANCE

Tourism British Columbia is responsible to the Minister of Tourism, Sport and the Arts. It is governed by a 15-member Board of Directors, with management, financial and legal authority under the *Tourism British Columbia Act*. The board provides policy direction and leadership to the organization and invests the CEO with the responsibility to implement the policies and programs of the corporation. More information on board members and board committees is located later in this report.

Governance Principles

The board has adopted the following guiding principles of the provincial government's Governance Framework:

- Stewardship, leadership and effective functioning of the board.
- Clarity of roles and responsibilities.
- Openness, trust and transparency.
- Service and corporate citizenship.
- Accountability and performance.
- Value, innovation and continuous improvement.

Governance Practices

Following completion of a review by an independent, professional governance expert, the board has enhanced its governance practices, such as using a skills-based approach to identify high-potential candidates for appointment. With continuous improvements to governance, the board can ensure that best practices will better guide the strategic direction of the corporation.

As a result of the review, several other changes have also been instituted, including adoption of a competency matrix, identification of standing committees for Audit, Governance and Human Resources, evaluation protocols for the board and CEO, plus annual orientation and skills development for directors.

Crown agencies are required to disclose the status of their governance practices in relation to Section 3 of the Board Resourcing and Development Office's *Best Practice Guidelines for Governing Boards of British Columbia Public Sector Organizations*. Tourism British Columbia is fully complying with these governance and disclosure guidelines, as detailed on our corporate website at tourismbc.com.

REPORT ON PERFORMANCE – INDUSTRY

Overall performance of the tourism industry provides important context for Tourism British Columbia's short and long-term marketing decisions.

The chart below highlights the key industry indicators and growth targets that are needed in order to achieve the objective of doubling provincial tourism revenues by 2015. With the exception of the annual percentage growth of tourism revenues measure, additional measures were included in the 2008/09 *Service Plan*, as they provide a more robust assessment of industry performance. They have been included here for comparison purposes.

	2006 Actual	2007 Target	2007 Actual	2008 Target	2009 Target	2010 Target
<u>Goals</u>						
1. Provincial tourism revenues (billions)	\$10.2*	\$10.6	\$10.6*	\$11.2	\$12.0	\$13.2
2. Annual percentage growth	3.7%*	4.7%	4.7%	5.3%	6.9%	n/a
<u>Targets: Demand</u>						
1. Overnight custom entries (millions)	4.9	4.9	4.8	5.0	5.2	5.6
2. Room revenue – annual increase**	7.5%	4.5%	7.9%	4.0%	4.0%	5.0%
<u>Targets: Supply (000s)</u>						
1. Airlift capacity (seats)	11,050	11,300	11,280	11,600	12,000	12,700
2. Accommodation (rooms)	86.8	88	85.6	90	92	99
3. Tourism employment***	120.5	123.5	127.0	129.5	132.1	135.5

*Actual not yet available. Based on indicators such as hotel room revenues (up 7.9%), we believe that we have met or exceeded this growth target.

** Changed from "room occupancy" as this measure is seen as a better demand measure.

***Changed from "HR development" as this measure relates specifically to tourism jobs and data is captured more consistently. Data not available until August, therefore 2007 is an estimate.

A significant indicator of market performance is customs entries data, which captures visitation from British Columbia's international markets. Overall, overnight customs entries from all international markets, was down slightly from 4.9 to 4.8 million from the previous year. This is largely due to a decrease in entries from the United States, which was down 2.4%.

Despite poorer performance from the international market, the domestic market was strong in the accommodation sector, resulting in room revenues rising 7.9% over 2006. The corresponding increase in the average daily room rate was 5.7%, and the occupancy rate rose by 1.3 points, showing that the increase in demand for rooms was greater than the increase in supply.

Airlift capacity rose 2.1%, mainly due to increased air capacity on routes within British Columbia and from overseas.

Average room supply decreased marginally from 86,800 to 85,600 largely due to decreases in the Vancouver, Coast and Mountains Region. BC Stats revised their data series, and targets have been revised accordingly.

REPORT ON PERFORMANCE – CORPORATE

Tourism British Columbia works towards achieving two long-term outcomes:

- Doubling provincial tourism revenues by 2015.
- Maximizing the long-term tourism benefits of the Vancouver 2010 Olympic and Paralympic Winter Games for all of British Columbia.

To accomplish these outcomes, Tourism British Columbia has identified four primary goals (these goals have been restated beginning with the 2008/09 Service Plan. The former goals as identified in the 2007/08 Service Plan are in italics for reference):

1. **Attract more visitors.** *Increase provincial tourism revenues by attracting visitors from "volume" markets (British Columbia, Alberta and Washington) and "high-yield" markets (long-haul North America, Asia/Pacific and Europe).*
2. **Create a world class experience to encourage repeat visits.** *Optimize the British Columbia visitors' experience through enhanced customer service.*
3. **Conveniently connect consumers to tourism products.** *Improve tourism market readiness of new and emerging tourism sectors and products.*
4. **Provide value to our stakeholders.** *Create a positive corporate culture within an efficient and effective organization.*

Goal 1: Attract more visitors.

Goal 1 is the primary focus of the Marketing division. Consumer-driven strategies target key geographic markets to increase demand for British Columbia as a preferred travel destination despite negative external factors that face Tourism British Columbia (WHTI, Air Access, and workforce). Tourism British Columbia works with its partners to assess and respond. Strategies focus on building awareness, interest, purchase and repeat purchase. Spending emphasis is focused on two key revenue generating markets. First, those in close proximity to British Columbia, including British Columbia, which produce high volume but lower daily expenditures and have high repeat potential. The second type of markets are those further away (long-haul Canada, USA and overseas) which deliver visitors that tend to stay longer and spend more on a daily basis. By balancing efforts against repeat visitation from closer-in markets and trial from higher yield long-haul markets, growth in tourism revenue will be optimized.

The key programs and investments included:

Online Programs (\$2.4 million)

Olympic and Paralympic messaging has been introduced across all websites. A new market website for Mexico has been created while the Japanese, Korean and Taiwanese market websites are prepared for integration into the main platform.

The **HelloBC®** website continues to expand with content and functionality to feature more communities, more experiences and more tourism businesses. New functionality was introduced including listings for festivals and events, Visitor Centres and transportation businesses. The award winning consumer blogs was further expanded and first steps were made to incorporate YouTube videos and leverage websites such as Facebook.

Marketing – North America

Touring/Getaway Campaigns (\$5.6 million)

This investment continues to be deployed via the award-winning **BC Escapes®** program, which is partnered with over 200 accommodation properties. The 2007 campaign targeted frequent travelers in British Columbia, Alberta, Ontario, Washington and California.

Tourism Partners and Partners Plus (\$4.0 million)

This on-going program supports the six regional destination marketing organizations (RDMOs) through sector-focused marketing activities targeting short-haul markets. There are hundreds of distinct projects annually, and activities include media advertising, publications, consumer and trade shows, direct mail, internet and research. Over 1,800 tourism businesses participated in marketing programs in 2007/08.

Outdoor Adventure (\$1.3 million)

Tourism British Columbia deployed an outdoor activity focused campaign targeting a younger, more active audience. Elements included magazine, online marketing and direct mail. Target markets included British Columbia, Alberta, Ontario, Washington and California.

Ski/Winter (\$1.5 million)

A campaign targeting destination skiers was deployed in key markets of Ontario, California, Washington, Alberta and British Columbia. **Share the Excitement!™** was introduced to leverage the 2010 Winter Games and create a positive association with ski experiences in British Columbia.

Consumer Publications and Listings (\$1.3 million)

Travel to British Columbia was promoted through development and distribution of publications and promoting visitation to the Tourism British Columbia website. Net revenue targets were achieved, and over 2,800 accommodation operators and 1,000 tourism businesses participated in the **HelloBC®** Listings Program, gaining exposure to over 7 million consumers through publications and websites.

City Stays (\$1.2 million)

This application-based, city specific program provided co-op marketing assistance for Tourism Vancouver, Victoria and Whistler to capitalize on unique city stay opportunities. Activities included media relations and consumer marketing targeting niche markets such as cruise.

Media Relations (\$1.0 million)

By focusing on targeted media initiatives with key media outside British Columbia, an advertising equivalency of greater than \$140 million is estimated. Over 200 individual press trips were supported through the year, resulting in coverage in media ranging from local (*Vancouver Sun*) to international (*New York Times*, *San Francisco Chronicle*, *Travel and Leisure*, *National Geographic Traveller*). British Columbia represented 27% of all Canadian print coverage tracked by the Canadian Tourism Commission in 2007. Specific initiatives designed to deliver against media relations objectives focused on the 2010 Olympic and Paralympic Winter Games were initiated and will continue to build.

Golf and Wine/Food Campaigns (\$0.8 million)

Golf experiences were highlighted in a stand alone campaign which promoted British Columbia's unique designation as 2007 Best Golf Destination in North America (by the International Association of Golf Tour Operators). A new wine and food focused campaign was also launched, successfully promoting wine and food experiences through British Columbia's three main wine regions.

Meetings BC (\$0.7 million)

This application-based marketing program provided cost shared co-operative marketing assistance to further promote meetings and conventions markets in Vancouver, Victoria, Whistler, Richmond, Penticton, Prince George and Kelowna.

Trade Education and Co-op Marketing (\$0.8 million)

British Columbia's position with the travel trade was maintained through education including familiarization tours, co-operative marketing and sales activities. A Spanish language website for Mexico was launched in 2007. Tourism British Columbia delivered 41 trade co-op marketing programs, 40 educational seminars, 37 familiarization tours, led 10 sales missions and achieved a 50% share of tour operator Canadian listings.

Database Marketing (\$0.2 million)

Tourism British Columbia continues to be recognized for its excellence in database and online marketing, most recently providing a case study for Google to demonstrate the effective use of its web optimization tools. This year steps were identified toward a consolidation of current database systems and an upgrade of technologies to enable greater efficiencies.

Marketing - Europe**Travel Trade (\$1.4 million)**

British Columbia's position with key tour operators in the United Kingdom, Germany and the Netherlands was maintained through educational programs including familiarization tours, co-operative marketing campaigns, trade shows and sales calls. Tourism British Columbia delivered 90 trade co-op marketing programs and achieved a 46% share of tour operator Canadian listings.

Canada's West Marketplace[®] trade show, applicable to all markets, hosted 151 buyers including 36 new buyers. The tradeshow also welcomed 19 first-time sellers. Delegates participated in over 24,992 pre-scheduled meetings. The marketplace received a 99% satisfaction rating from buyer and seller delegates. Established in 1989, the **Canada's West Marketplace** trade show is a partnership between Tourism British Columbia and Travel Alberta and is an annual forum for promoting Western Canada tourism products to international tour operators and wholesalers.

Media Relations (\$1.0 million)

Advertising equivalency of \$15.5 million was achieved with key European media.

Marketing – Asia/Pacific

Consumer Advertising & Promotions (\$0.6 million)

Our first direct to consumer acquisition campaign was launched in Australia resulting in 4,500 additions to our database of individuals who have expressed interest in visiting British Columbia and will be contacted with product specific offers.

In Japan, in addition to ongoing consumer campaigns integrating travel trade and consumer media, e-newsletters were distributed monthly to over 11,000 consumers who have expressed interest in visiting British Columbia.

Media Relations (\$0.5 million)

An advertising equivalency of \$59.5 million was achieved through targeted media initiatives with key Asia/Pacific media to obtain unpaid coverage of British Columbia products and to address 2010 opportunities. Media relations representation continued in China to implement an ongoing editorial/advertorial program for Chinese mainland media.

Travel Trade (\$1.6 million)

British Columbia's position with key tour operators in Japan, Taiwan, South Korea and Australia was maintained through educational programs including familiarization tours, co-operative marketing campaigns, trade shows and sales calls. Tourism British Columbia delivered 93 trade co-op marketing programs, produced 10 foreign language print publications and achieved a 67% share of tour operator Canadian listings.

China

Although Approved Destination Status has not been granted, Tourism British Columbia worked closely with in-market Canadian Tourism Commission representatives to identify and develop relationships with key Chinese travel trade and media. Key activities included participation in Chinese trade shows, in-market training seminars, 3 new print publications, and 7 travel trade familiarization tours. Media activities included in-market media workshops and 5 media familiarization tours to British Columbia.

Measure: Return on Investment, Consumer advertising campaigns* (tourism revenues per \$ invested) *This measure was expanded to include all advertising campaigns, not just Tourism

British Columbia's primary campaign, *BC Escapes*[®].

Past Performance		2007/08 Performance:		Future Targets		
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
13.2	13.7	12.0	15.0	12.0	12.0	12.0

Beginning with the 2008/09 Service Plan, all direct to the consumer advertising campaigns are covered in this measure to provide a more holistic picture of Tourism British Columbia's performance in this area. \$150 million in tourism revenue was generated from \$9.8 million of campaign spend.

Measure: Equivalent dollar value of unpaid editorial coverage worldwide (\$millions)						
Past Performance		2007/08 Performance		Future Targets		
		Target exceeded				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
143	202	190	215	190	250	300

Tourism British Columbia focuses much of its marketing efforts on Media Relations, and this measure provides an estimate of the value of unpaid media coverage of British Columbia tourism in print, TV and radio. Tourism British Columbia is the source for this data.

Measure: Visitors to Tourism British Columbia consumer websites worldwide (millions)						
Past Performance		2007/08 Performance		Future Targets		
		Target Exceeded				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
2.7	5.1	5.0	6.3	7.0	10.0	10.0

This measure tracks the number of visitors to the Tourism British Columbia consumer websites worldwide as an indicator of the success of Tourism British Columbia's marketing programs. Performance was better than planned due to efforts to focus on Search Engine Optimization (SEO). Tourism British Columbia is the source of this data.

Measure: British Columbia's share of Canadian product in key tour operator offerings:						
1. North America 2. Europe 3. Asia						
Past Performance		2007/08 Performance		Future Targets		
		Target exceeded				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
1. 40%	40%	42%	50%	40%	40%	40%
2. 38%	38%	38%	46%	38%	38%	38%
3. 65%	60%	60%	67%	60%	60%	60%

This measure tracks the percentage of British Columbia product in key international tour operator publications compared to the rest of Canada. British Columbia product gets significantly more exposure than any of the other provinces. Tourism British Columbia is the source of this data.

Measure: # of tourism businesses participating in regional marketing programs*						
Past Performance		2007/08 Performance		Future Targets		
2005/06	2006/07	Target exceeded				
		Target	Actual	2008/09	2009/10	2010/11
1,770	1,800	1,825	1,832	1,850	1,875	1,900

*In the 2007/08 Service Plan, the measure identified was number of Consumers in worldwide marketing database. Tourism British Columbia determined that a more effective measure beginning with the 2008/09 Service Plan is number of tourism businesses participating in regional marketing programs. As a result, this measure has been changed to reflect this later measure. Tourism British Columbia is the source of this data.

Goal 2: Conveniently connect consumers to tourism products.

Goal 2 is the primary focus of the Visitor Experiences division. The quality of a visitor's vacation experience while in British Columbia is critical to the ongoing success of the tourism industry. In the long term, British Columbia's tourism industry must continue to grow its reputation as a provider of high-quality services and products. Tourism British Columbia's strategies under this goal are focused on ensuring the visitor has access to the information, and the capability, to make informed purchasing decisions.

Key programs and investments included:

Visitor Servicing (\$4.6 million)

Six provincial gateways and 109 Visitor Centres province-wide saw 3.3 million visitors receive travel assistance including information and tools to book or purchase British Columbia product. Currently, over 13,000 tourism businesses have information available in these centres.

Product Sales/Contact Centre/Fulfillment (\$2.3 million)

Whether planning or en route, the contact centre provides visitors with information and the opportunity to book or purchase product. The centre also provides customer service for all distribution channels, call to action for campaigns and responds to requests for printed information. In 2007, 228,000 calls were received and 282,000 information kits were distributed.

Through Tourism British Columbia's consumer points of contact; 1-800 **HELLO BC**[®] contact centre, Visitor Centres and **HelloBC.com**, visitors are offered the opportunity to book or purchase tourism products including accommodations, transportation and activities and provincial park campsites. In 2007, 126,000 transactions were made for the tourism industry through these channels.

Tourism Product Management (\$1.2 million)

A record 3,889 tourism suppliers were registered for Tourism British Columbia's **HelloBC**[®] Listings program, a program that provides content rich supplier information and booking capabilities for the consumer.

Information Technology (\$3.0 million)

Information Technology (IT) provides technology leadership for Tourism British Columbia, and to the industry through the development of IT strategies to support current and future business requirements. In addition to day-to-day responsibilities for the availability of office systems, this unit is also responsible for sourcing application development and technical support for all of Tourism British Columbia's business applications, including websites and other marketing tools such as the Destination Management System. This past year, the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) Accommodation Management System was completed.

Industry Human Resources Development (\$0.5 million)

Addressing the critical skill shortage facing the tourism sector, financial support was provided to go2 – The resource for people in Tourism, and LinkBC (previously the Centre for Leadership and Innovation in Tourism at Capilano College and the Centre for Leadership and Innovation in Hospitality at Vancouver Community College), to continue implementation of the provincial tourism human resource development plan.

Measure: Number of tourism businesses listed on HelloBC.com						
Past Performance		2007/08 Performance		Future Targets		
		Target not met				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
2,964	2,964	3,900	3,889	3,800	4,000	4,200

This measure tracks the number of tourism businesses registering for Tourism British Columbia online programs. These tourism businesses provide both tourism information and reservation opportunities for visitors. Although the target was not met, listings were up 31.2% over last year. Tourism British Columbia is the source of this data.

Measure: Average Quality Service ratings at Visitor Centres* (80% is benchmark)						
Past Performance		2007/08 Performance:		Future Targets		
		Target met				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
n/a	87%	85%	85%	85%	85%	85%

*This measure replaces number of visitors served at Visitor Centres since Tourism British Columbia had little control or accountability over the former measure. In contrast, the new measure is a visitor survey that demonstrates Tourism British Columbia's performance in providing excellent service to visitors to our centres. Tourism British Columbia is the source of this data.

Measure: Number of page views of tourism businesses through Hellobc.com (millions)						
Past Performance		2007/08 Performance:		Future Targets		
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
n/a	n/a	2.2	2.3	2.8	3.5	3.1

This is a new measure beginning with the 2008/09 *Service Plan*, and tracks the number of page views of tourism businesses through **HelloBC.com**. The new measure contributes to measuring Tourism British Columbia's ability to achieve Goal 2. Tourism British Columbia is the source of this data.

Goal 3: Create a world class experience to encourage repeat visits.

Goal 3 is supported by the Business Development division. Strategies under this goal are intended to improve the ability of existing and new tourism operators to access information and services that will help them grow their business by identifying opportunities, acting on them and continuing to innovate. Successfully implemented, these strategies will create the conditions needed to ensure the tourism industry is forward-looking and responsive to tourism market demands.

Key programs and investments included:

City and Sector Marketing and Development Programs (\$2.1 million)

Tourism British Columbia provided marketing grants to key city destinations to capitalize on unique city stay opportunities, including media relations and consumer marketing. In addition, application marketing programs were in place for smaller and emerging sectors (fishing, cruise, mountain biking, museums and guest ranches, among others).

Market Research (\$1.3 million)

Research is conducted to support Tourism British Columbia's program planning and evaluation, tourism industry tracking and performance and to produce estimates of visitor volume and revenue. New research projects included: consumer research in key overseas and North American markets, visitor surveys and evaluation at four Visitor Centres, market research and program evaluation for the Tourism Partners program, market research supporting the **Community Tourism Foundations**[®] program and business surveys for the Experiences BC program.

Community Tourism Foundations[®] Development (\$1.1 million)

This was the third year of the **Community Tourism Foundations** development program, designed to assist communities in developing local tourism strategies and increase overall participation in tourism marketing. Nineteen new communities or community consortiums began working with the program. Communities were assigned a facilitator to assist the community working group with examining their tourism activities, conducting a situation analysis, developing a research-based tourism plan and participating in co-operative marketing initiatives.

In 2007/08, a total of 143 communities were assisted. New development communities included:

- Castlegar
- Cranbrook
- Duncan
- Fraser Canyon
- Hope
- Kaslo
- Lillooet
- Logan Lake
- Mackenzie
- Maple Ridge – Pitt Meadows
- Nootka Sound
- North Vancouver
- Oliver
- Osoyoos
- Haida Gwaii
- Queen Charlotte Islands
- Sooke to Port Renfrew
- Summerland
- Tumbler Ridge

Training Services (\$0.6 million)

15,300 participants completed **SuperHost**[®] training programs and revenue came in at just under target. Training programs continue to be a challenge due to a lack of participants in pre-employment training programs and the overall labour shortage.

Community Co-operative Marketing (\$0.2 million)

Tourism British Columbia directly managed marketing funding requests from eligible communities for community-focused implementation activities. These communities typically had recently completed the **Community Tourism Foundations**[®] program development phase and possessed a formal multi-year tourism plan supporting the strategies and specific tactics being funded.

Funding partners included the recognized Destination Marketing Organizations (Chambers of Commerce, Tourism Associations and municipal governments etc.) representing individual communities or clusters of communities, UBCM and local tourism operators. Communities supported as part of the **Community Tourism Foundations**[®] program implementation phase included:

- Bella Coola
- Barriere
- Bowen Island
- Harrison-Kent
- Langley
- McBride
- New Westminster
- Prince George
- Rossland
- Sunshine Coast
- White Rock
- Williams Lake

Experiences BC Development (\$0.4 million)

Tourism British Columbia continued the process of facilitating the development of strategic business and marketing plans in conjunction with various provincial product sectors including research and market readiness programs. Nine product sectors continued or were introduced to the strategic planning process: History and Heritage, Nordic activities, Camping and RV, River Experiences, Scuba Diving, Cuisine, Backcountry Lodges, Agri-Tourism. Additionally, various product sectors were assisted with co-operative marketing via Experiences BC including Heli-Cat, Guest Ranches, Mountain Biking and Cruise.

British Columbia Magazine™ (\$0.3 million, net)

In its 49th year, **British Columbia Magazine** provides awareness of the province, through spectacular photography and well written stories on people, places and journeys to 2.1 million readers, including 117,000 subscribers, in 120 countries around the world. In 2007, **British Columbia Magazine** remained the second most-read magazine in British Columbia, behind Reader's Digest. The magazine won six editorial awards at the International Regional Magazine Awards and advertising sales were up 9%.

Sport Tourism (\$0.2 million)

This year was the third year of the sport tourism program delivered in partnership with 2010 Legacies Now. Three Community Sport Tourism workshops were delivered throughout the province this year. The third annual British Columbia Sport Tourism Community Legacy Award, created as part of this program, was awarded to Initiatives Prince George at the British Columbia Tourism Industry Awards. In partnership with the Ministry of Tourism, Sport and the Arts and 2010 Legacies Now, Tourism British Columbia co-hosted the 4th Annual British Columbia Sport Tourism Events Marketplace, where more than 115 participants from British Columbia communities and Provincial Sport Organizations (PSOs) attended this year's event to network, develop partnerships and explore new sport event hosting opportunities.

Measure: Total number of communities assisted

Past Performance		2007/08 Performance		Future Targets		
		Target not met				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
126	140	150	143	160	165	170

To measure the number of communities provided with significant, direct financial assistance through Tourism British Columbia's Business Development programs, including Development and Implementation activities. Performance exceeded 2006/07, but was less than target due to staff vacancies for part of the year. Tourism British Columbia is the source of this data.

Measure: Number of tourism sectors developed and/or promoted

Past Performance		2007/08 Performance		Future Targets		
		Target exceeded				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
12	17	19	21	22	25	28

This measure was determined to be a better indicator of Goal 3 performance so was added (and the **British Columbia Magazine** circulation measure dropped) in the *2008/09 Service Plan*. Tourism British Columbia is the source of this data.

Measure: Number of accommodation properties inspected (annual)

Past Performance		2007/08 Performance		Future Targets		
		Target exceeded				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
2,153	1,988	2,146	2,219	2,400	2,400	2,400

This measure was determined to be a better indicator of Goal 3 performance so was added in the *2008/09 Service Plan*. Target was exceeded due to introduction of the Tourism Accessibility Program. Tourism British Columbia is the source of this data.

Measure: Number of participants trained through SuperHost [®] training programs						
Past Performance		2007/08 Performance		Future Targets		
		Target not met				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
15,300	17,106	20,000	15,300	20,000	22,000	20,000

The **SuperHost** program is in place to help achieve one of Tourism British Columbia's mandated objectives: to enhance professionalism in the tourism industry. An overall human resource shortage and restricted supplier budgets have hampered the ability to achieve the target, however, Tourism British Columbia will continue to set aggressive future targets in an effort to help prepare tourism businesses and their staff for when the province "welcomes the world" in 2010. Tourism British Columbia is the source of this data.

Measure: Unique visits to research website						
Past Performance		2007/08 Performance		Future Targets		
		Target not met				
2005/06	2006/07	Target	Actual	2008/09	2009/10	2010/11
15,000	16,800	16,000	15,258	16,000	16,500	17,000

This measure was not seen as a critical measure of Tourism British Columbia's success so was discontinued starting with the *2008/09 Service Plan*. Target not met due to unique visitors dropping off in Q4. Tourism British Columbia is the source of this data.

Goal 4: Provide value to our stakeholders

Goal 4 is supported by Tourism British Columbia's support services, which includes Corporate Services, Human Resource Development, Corporate Communications and Governance. Strategies supporting this goal contribute to Tourism British Columbia's performance by continuing to strengthen the qualities that make it a highly effective organization.

Key strategies:

- Conduct survey of Tourism British Columbia stakeholders to evaluate effectiveness of programs.
- Leverage Tourism British Columbia funding with partners to maximize purchasing power and exposure of tourism product.
- Keep administration costs below those of comparable organizations.
- Continue to instill a values-based and productive corporate culture.

Measure: Industry stakeholder satisfaction survey of Tourism British Columbia programs and services (1-5 scale)						
Bench- mark	2006/07	2007/08 Performance		Future Targets		
		Target exceeded				
		Target	Actual	2007/08	2008/09	2009/10
3.5	3.9	3.9	3.94	3.9	3.9	3.9

To ensure Tourism British Columbia continues to deliver programs and activities that provide value for tourism stakeholders, an independent, third-party random survey of hundreds of industry stakeholders is conducted annually by Malatest & Associates. These include responses from hotel operators, attractions, tour operators and other industry stakeholders. Overall, satisfaction levels across all stakeholder groups have increased by 3.4% since 1999.

Measure: Cost of support services as percentage of total budget						
Bench- mark	2006/07	2006/07 Performance		Future Targets		
		Target exceeded				
		Target	Actual	2007/08	2008/09	2009/10
17.5%*	8.2%	10.0%	7.5%	8.0%	8.0%	8.0%

* Benchmark is federal tourism organization.

To measure support services costs (accounting operations, facilities, administration, human resources, CEO's office, board and corporate communications) as a percentage of total budget and to compare against a similar organization.

Measure: Employee survey: "I am proud to work for my organization"						
Bench- mark	2006/07	2007/08 Performance		Future Targets		
		Target met				
		Target	Actual	2008/09	2009/10	2010/11
62%*	95%	95%	95%	95%	95%	95%

* Benchmark is provincial government public service 2006.

To measure employee satisfaction. This is a new measure that replaces "I have confidence in the leadership abilities of executives." Tourism British Columbia is the source of this data.

Measure: Employee survey - "The work I do makes an important contribution to my organization's success"						
Bench- mark	2006/07	2007/08 Performance		Future Targets		
		Target met				
		Target	Actual	2008/09	2009/10	2010/11
68%*	93%	93%	93%	93%	93%	93%

* Benchmark is provincial government public service 2003.

This is a new measure designed to further measure employee satisfaction. Tourism British Columbia is the source of this data.

Tourism British Columbia was also named in *Canadian Business Magazine's* top 50 "Best Workplaces in Canada" for 2007. Most notable was the organization's sixth place ranking in response to the question: "Taking everything into account, I would say this is a great place to work" with agreement from 94% of employees.

RISK ASSESSMENT AND ACTIONS TAKEN

Issue	Risk	Key Responses
US Visitation • Visits from the US have declined since 2001, largely due to increased security measures and the strong performance of the Canadian dollar against the US dollar. • This has particularly impacted same-day visitors who are valuable to close-in destinations such as Vancouver and Osoyoos.	• The two biggest risks are to overall revenue, and Tourism British Columbia's ROI, as more aggressive tactics are targeted to attracting US visitors.	• Aggressive targeted campaigns continue in US market • Diversification of markets continues, with strong growth from Mexico, Korea, and British Columbia/Canada.
The Western Hemisphere Travel Initiative (WHTI) • US passport requirements for re-entry to the United States for American visitors travelling by air will impact visits in 2007 and beyond. • Though registration for new US passports has been strong, far fewer than 50% of all Americans have passports.	• Long-term erosion of US market potential.	• A variety of communication tools including HelloBC.com, campaign brochures, Visitor Centres and the 1-800-HelloBC® Call Centre are being used to ensure up-to-date accurate information about border waits and documentation requirements is available.
Cancellation of GST rebate • The federal government announced cancellation of the GST rebate in 2006.	• Result in price increases for international packaged travel as tour operators are required to charge and remit GST.	• Ensuring overseas operators are communicating their concerns about impacts to their business directly to decision-makers in Ottawa.
Air Access • The federal and provincial governments are working to open more access to Canadian airports for foreign airlines.	• A lack of direct-air seat capacity is one of the major constraints to growth from many markets, including Asia Pacific.	
China: Approved Destination Status (ADS). • Though Canada and China formally agreed to begin negotiating Approved Destination Status in January 2005, a final agreement has not been achieved to date.	• Despite significant potential from this market, Tourism British Columbia cannot advertise in China until an agreement is signed.	• Tourism British Columbia supports the Ministry of Tourism, Sport and the Arts' efforts to encourage federal representatives to continue negotiations for final ADS acceptance.
Human Resource Development • 84,000 new workers will be required in order to meet the target of doubling the size of the tourism industry by 2015. • This will require tourism training in both the secondary and post-secondary systems, as well as in the workplace.	• Tourism businesses may not meet export-ready standards due to understaffing, new businesses may not be able to open, and a loss of British Columbia's customer service reputation may result in the long-term.	• Tourism British Columbia is working with go2, the Ministry of Tourism, Sport and the Arts and other industry partners across Canada to raise awareness of this issue, and ensure the British Columbia tourism industry can compete for workers, but also retain them long-term.

SHAREHOLDER'S LETTER OF EXPECTATIONS

Crown corporations are publicly accountable to taxpayers both in the delivery of their programs and service and in fiscal management. The Shareholder's Letter of Expectations (SLE) is a key component of the Accountability Framework for Crown corporations and is designed to ensure a shared understanding between the shareholder (the government, represented by the Minister Responsible) and Crown corporation Boards of Directors on key governance issues, corporate mandate direction from government, core Crown corporation services, strategic priorities and performance expectations of government for the corporations. The Shareholder Letter serves as the foundation for the development of annual Crown corporation Service Plans.

Though many of the accountabilities referenced in Tourism British Columbia's Letter of Expectations can be found in the Report on Performance, a status update of the letter is as follows:

Action	Status
Compliance with the Shareholder's requirements to make the public sector carbon neutral by 2010.	Tourism British Columbia conducted a third-party carbon emission audit in 2007/08 intended to help identify practical solutions for reduction of carbon emissions in operations. The corporation currently meets the Crown corporation requirements identified by the Climate Action Secretariat.
Conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, and customer service. Prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Reports that detail progress toward achieving those goals, and post both documents on its website; display annual Statement of Financial Information schedules prepared under the <i>Financial Information Act</i> in an easily accessible location on its website; conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder; develop and implement strategies to manage risks identified in the Service Plan; provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and provide information to the Shareholder immediately if the Corporation is unable to meet the targets identified in its Service Plan.	Tourism British Columbia's adheres to all legislation and policy relating to corporate planning and reporting, and these activities are conducted with on-going communication with the Shareholder, the Board of Directors and other key stakeholders.

Action	Status
Work with the Shareholder to clearly define responsibility for performance targets.	Done.
Clearly identify in the Corporation's annual Service Plan the targets and initiatives to achieve the doubling of provincial tourism revenues by 2015.	Done.
Continue to participate as an active partner in the Shareholder's <i>Tourism Action Plan</i> .	Ongoing.
Focus marketing activities to leverage tourism investment and maximize tourism growth.	Done. Refer to Tourism British Columbia's 2008/09 – 2010/11 <i>Service Plan</i> .
Maximize the short and long-term benefits of hosting the Vancouver 2010 Olympic and Paralympic Winter Games by developing complementary and robust marketing and sales plans with industry and government parties.	Tourism British Columbia oversaw the completion of the 2010 <i>Tourism Consortium Strategy</i> – to be launched publicly in July 2008.
Create sustainable tourism programs in keeping with the Corporation's mandate that help reduce greenhouse gas emissions and position British Columbia as a "green" tourism destination.	Tourism British Columbia is a founding partner of the Sustainable Tourism Steering Committee along with the Ministry of Tourism, Sport and the Arts and COTA BC which is developing a comprehensive strategy for the industry.
With respect to at-par currency, continue to diversify the Corporation's markets and regional marketing investments.	Tourism British Columbia has a diversified portfolio of markets around the world and has recently been accelerating activity in Mexico and Korea. Marketing targeted to India is planned for 2010.
Provide the Shareholder with a detailed Expenditure Plan for the proposed incremental room tax revenues, by June 30, 2008.	Done.
With respect to air access and under the direction of the Minister of Tourism, Sport and the Arts, contribute to a coordinated industry campaign to address the issue of bi-lateral agreements with the federal government.	Ongoing.
With respect to cross-border delays, Tourism British Columbia should encourage industry groups to communicate their concerns regarding excessive wait times.	Done.
Consider broadening its target market by placing emphasis on customer preferences, including possibly promoting the cultural, culinary and destination shopping aspects of British Columbia.	Done.
Ensure annual expenditures do not exceed annual revenue.	Tourism British Columbia was granted permission to run a deficit in 2007/08 to help fund government initiatives and priorities.
Continue to supplement its annual operating budget through raising additional funding from the industry and private sector partners.	Ongoing.

Action	Status
Continue to work with the Aboriginal Tourism Association of British Columbia to carry out the <i>Aboriginal Tourism Blueprint Strategy</i> .	Ongoing.
Participate in tourism marketing initiatives as part of BC150 celebrations.	Ongoing.
Incorporate "welcome to British Columbia" multilingual signage at all Visitor Gateway locations and Visitor Centres.	To be completed in Summer, 2008.
Actively participate in Shareholder Asia/Pacific Initiative.	As required.
In support of good communication, the board will provide opportunities to engage the Minister of Tourism, Sport and the Arts in dialogue throughout the year and with regularly scheduled meetings.	Ongoing Deputy Minister is invited to all Tourism British Columbia Board of Directors meetings.

FINANCIAL REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Financial Results

\$000s	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Actual	2007/08 Budget	Budget Variance
Hotel room tax	24,200	26,015	27,565	29,950	32,030	32,400	(370)
Gov't grants and contributions	750	12,025	22,834	20,722	20,043	17,650	2,393
Program and other income	8,012	7,298	8,498	8,937	9,004	9,066	(62)
Total revenue	32,962	45,338	58,897	59,609	61,077	59,116	1,961
Marketing	17,115	13,496	32,335	29,360	32,187	30,261	1,926
Visitor services	12,268	10,723	14,219	14,339	14,278	15,059	(781)
Business development	3,445	3,194	4,902	7,310	7,949	6,579	1,370
Support services and facilities	3,439	3,609	4,292	4,689	4,732	5,217	(485)
Amortization	312	1,289	1,556	3,401	1,435	2,000	(565)
Government directed payments	-	12,000	-	-	3,000	-	3,000
Write-down of intangible asset	-	1,008	570	-	-	-	-
Total expenses	36,579	45,319	57,874	59,099	63,581	59,116	4,465
Net revenue (expenses)	(3,617)	19	1,023	510	(2,504)	0	(2,504)
Closing net equity	4,005	4,024	5,047	5,557	3,053	5,557	
Capital expenditures	2,460	3,511	1,024	983	2,470	11,820	(9,350)
Full-time equivalents	108	111	127	138	145	143	

Assessment of results of operations and changes in financial conditions

Revenue

Revenues were \$2.0 million or 3.3% greater than plan. The domestic market was the primary driver of a gain in hotel room tax revenue of 6.9% over last fiscal year, as overnight custom entries were down slightly. Tourism British Columbia was provided additional funds from the Ministry of Tourism, Sport and the Arts, over and above the \$50 million cap, to help fund government initiatives and priorities that were not included in Tourism British Columbia's Service Plan. This included BC150 Celebrations, funding for the British Columbia Canada Pavilion in Beijing and increased regional marketing funding.

Program and other revenue was down slightly from plan due to lower than anticipated listing revenues.

Expenses

Overall, expenses exceeded budget by \$4.5 million, or 7.5%. This was a result of both an offsetting increase in revenues and permission from the Shareholder to permit Tourism British Columbia to exceed revenues by up to \$3.0 million for 2007/08 in order to help fund British Columbia Canada Pavilion in Beijing. Expenses also included grants to regional and city partners issued in 2007/08 from the 2008/09 budget. Using 2007/08 funds provided some necessary budget room in 2008/09 to help fund programs deferred from 2007/08.

Capital

Capital expenditures were considerably under budget due to delays in larger capital projects such as the construction of Visitor Gateway Centres at Peace Arch and Merritt, and website development. The majority of these funds have been carried forward to subsequent years.

Risks, Uncertainties and Future Outlook

Tourism British Columbia's primary goal is to double tourism revenues by 2015. Tourism British Columbia recognizes that there are many variables in attaining this goal that are outside Tourism British Columbia's control: the overall health of the economy, gas prices, border security issues, exchange rates, air access and cost, Approved Destination Status with China, terrorism and flu pandemics are just some examples. However, Tourism British Columbia believes that the marketing opportunities created by the Vancouver 2010 Olympic and Paralympic Winter Games make this an attainable goal.

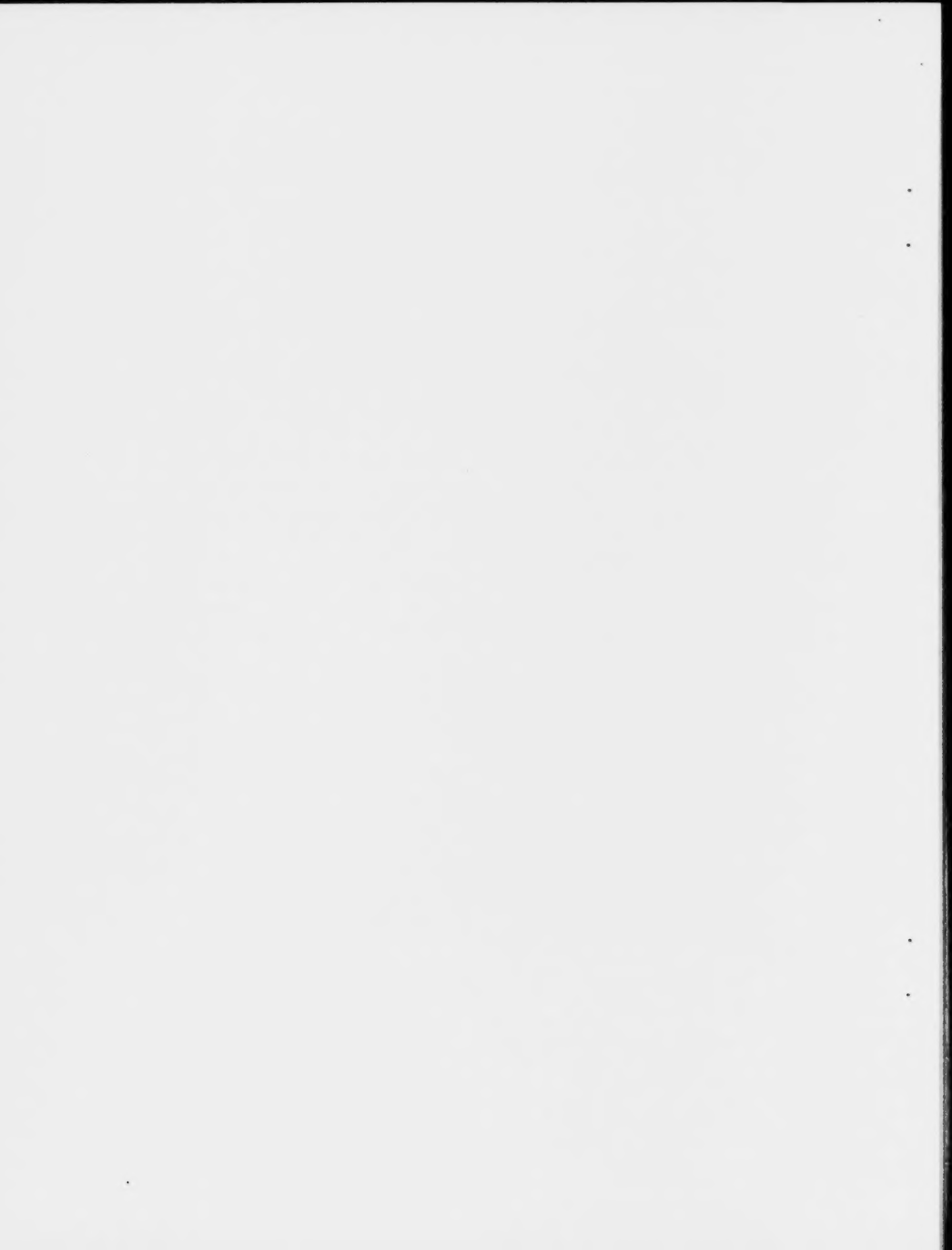
2007/08 was the last year that Tourism British Columbia's annual funding was comprised of 1.65 points of the hotel room tax and a grant from the Ministry of Tourism, Sport and the Arts. Effective April 1, 2008, Tourism British Columbia will receive 3 points of the 8% hotel room tax, and will once again be subject to the risk of hotel room tax revenues being less than forecast. Given recessionary pressures mounting worldwide, there is an increased risk of hotel room tax revenues not meeting target for 2008/09.

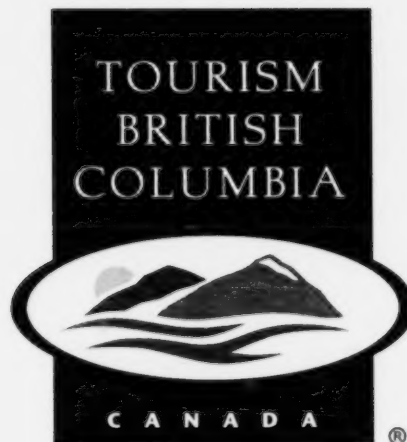
Tourism British Columbia's Financial Forecast (from the 2008/09 Service Plan)

\$000s	2008/09 Estimate	2009/10 Estimate	2010/11 Estimate
Revenue			
Hotel room tax per Ministry of Finance (note 1)	\$ 63,000	\$ 66,000	\$ 70,000
Allowance, Hotel room tax	(2,700)	(3,300)	(4,800)
Hotel room tax per Tourism BC	60,300	62,700	65,200
Grant from Ministry of Tourism Sport and Arts (note 2)	-	-	-
Other Provincial Government contributions	100	200	200
	60,400	62,900	65,400
Interest and other	542	525	551
	60,942	63,425	65,951
Operations, net			
Marketing: Attract more visitors	33,016	33,897	37,781
Visitor Services: Connect consumers to product	11,390	11,410	10,147
Business Development: Create a world class visitor experience	10,073	11,041	11,380
Support services	4,663	4,777	4,893
Amortization	1,800	2,300	1,750
	60,942	63,425	65,951
Net operating revenue	0	0	0
Accumulated surplus, ending	5,599	5,599	5,600
Total Debt	-	-	-
Marketing technology (DMS)	1,252	1,062	662
Websites	2,700	1,325	1,500
Visitor Centres	5,980	2,310	-
2010 Kiosks and mobiles	225	1,125	-
Other	238	190	190
Capital investment (Note 3)	10,395	6,012	2,352
FTEs	146	146	146

Key Assumptions and Risks

- Note 1 Hotel room tax revenue figures provided by the Ministry of Finance are based on provincial nominal GDP growth forecasts. Tourism British Columbia records hotel room tax based on weekly reports and cash received from the Ministry of Small Business and Revenue, and forecasts hotel room tax on more specific tourism related indicators. Consequently, the allowance refers to the difference between the two methodologies.
- Note 2 Effective for 2008/09, Tourism British Columbia's funding and share of the hotel room tax rises from 1.65 to 3.0 points. Until 2008/09, Tourism British Columbia's annual funding is sourced from their share of the hotel tax and an annual operating grant from a voted appropriation from the Ministry of Tourism, Sport and the Arts.
- Note 3 Capital investment includes \$8.0 million funding contribution from the provincial government for the construction of gateway Visitor Centres at Osoyoos, Peace Arch and Merritt.





**Financial Statements
For the Year Ended
March 31, 2008**



Management's Report

The financial statements of Tourism British Columbia for the year ended March 31, 2008 have been prepared by management in accordance with Canadian generally accepted accounting principles. These financial statements present fairly the financial position of Tourism British Columbia as at March 31, 2008, and the results of operations and changes in cash flows for the year then ended.

Management is responsible for the preparation of the financial statements and has established a system of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements. The Board meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Board, with and without the presence of management.

The Auditor General of British Columbia has performed an independent audit of the financial statements of Tourism British Columbia. The Auditor's report outlines the scope of his examination and expresses an opinion on the statements of Tourism British Columbia.

Rod J. Harris
President and Chief Executive Officer
Tourism British Columbia

Len Dawes, CA
Chief Financial Officer
Tourism British Columbia

May 16, 2008



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Phone (250) 356-6363 / Fax (250) 356-8246
Corporate: www.tourismbc.com Consumer: HelloBC.com



Report of the Auditor General of British Columbia

*To the Board of Directors of
Tourism British Columbia, and*

*To the Minister of Tourism, Sport and the Arts
Province of British Columbia:*

I have audited the statement of financial position of *Tourism British Columbia* as at March 31, 2008 and the statements of operations, comprehensive income and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Tourism British Columbia* as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
May 16, 2008*

John Doyle, MBA, CA
Auditor General

TOURISM BRITISH COLUMBIA

Statement of Financial Position

(in \$000s)

March 31,	2008	2007
Assets		
Current assets		
Cash (Note 15)	15,401	23,220
Receivables		
Province of British Columbia	4,229	2,657
Program	1,316	993
Inventories	71	106
Prepaid	383	244
	<u>21,400</u>	<u>27,220</u>
Loans receivable (Note 5)	193	178
Intangible asset (Note 7)	244	275
Property, plant and equipment (Note 6)	<u>7,564</u>	<u>6,465</u>
	<u>29,401</u>	<u>34,138</u>
Liabilities and equity		
Current liabilities		
Payables and accruals		
Program	13,436	15,568
Province of British Columbia	712	385
Current portion of long term liabilities (Note 8)	297	228
Deferred revenue	2,122	2,619
Deferred contributions (Note 11)	93	76
	<u>16,660</u>	<u>18,876</u>
Long term liabilities (Note 8)	<u>479</u>	<u>448</u>
	<u>17,139</u>	<u>19,324</u>
Equity		
Net assets	3,053	5,557
Contributed surplus (Note 14)	7,949	7,997
Accumulated other comprehensive income (Note 10)	1,260	1,260
	<u>12,262</u>	<u>14,814</u>
	<u>29,401</u>	<u>34,138</u>

Commitments (Note 9)

Approved on behalf of the Board:


Board Chair


Audit Committee Chair

The accompanying notes are an integral part of these financial statements.

TOURISM BRITISH COLUMBIA
Statement of Operations, Comprehensive Income and Net Assets

(in \$000s)

For the year ending March 31,

	2008	2007
Revenue		
Hotel room tax	32,030	29,950
Grants and contributions (Note 13)	20,043	20,722
Program revenue (Note 3)	8,057	8,043
Investment and miscellaneous income	947	894
	<u>61,077</u>	<u>59,609</u>
Expenses		
Marketing	32,187	29,360
Visitor services	14,278	14,339
Business development	7,949	7,310
Support services	4,732	4,689
Amortization	1,435	3,401
Government directed payment (Note 16)	3,000	-
	<u>63,581</u>	<u>59,099</u>
Net (loss) earnings, being comprehensive income	(2,504)	510
Net assets, beginning of year	5,557	5,047
Net assets, end of period	<u>3,053</u>	<u>5,557</u>

The accompanying notes are an integral part of these financial statements

TOURISM BRITISH COLUMBIA

Statement of Cash Flows

(in \$000s)		
Year ended March 31,	2008	2007
Operating activities		
Net (decrease) increase in cash	(2,504)	510
Change in working capital		
Receivables	(1,894)	(49)
Inventories	35	(5)
Prepaid expenses	(139)	1,824
Loans receivable	(15)	(68)
Payables and accruals	(1,735)	1,393
Deferred revenue	(497)	(45)
Deferred contributions	17	(258)
	<u>(4,228)</u>	<u>2,792</u>
Items not involving cash		
Amortization expense	1,435	3,401
Amortization of contributed surplus	(48)	(3)
Cash flows (used in) provided by operating activities	<u>(5,345)</u>	<u>6,700</u>
Investing activities		
Additions to capital assets, net	(2,470)	(4,246)
Additions to intangible assets, net	(35)	(48)
Cash flows (used in) provided by investing activities	<u>(2,505)</u>	<u>(4,294)</u>
Financing activities		
Deferred capital contributions	-	5,800
Long term liabilities	31	(484)
Cash flows (used in) provided by financing activities	<u>31</u>	<u>5,316</u>
Net (decrease) increase in cash	<u>(7,819)</u>	<u>7,722</u>
Cash beginning of year	<u>23,220</u>	<u>15,498</u>
Cash end of period	<u><u>15,401</u></u>	<u><u>23,220</u></u>

The accompanying notes are an integral part of these financial statements.

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

1. Authority and purpose

Tourism British Columbia (the Corporation) is a provincial Crown corporation established by the *Tourism British Columbia Act* on June 27, 1997. The purpose of the Corporation is to promote development and growth in the tourism industry, to increase revenue and employment in the industry throughout British Columbia and to increase the economic benefits generated by the industry.

Under the *Tourism British Columbia Act*, Tourism British Columbia is entitled to the net revenue collected under section 3.1 of the *Hotel Room Tax Act*.

The Corporation is exempt from federal and provincial income taxes and from the federal goods and services tax.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(a) Revenue recognition

Hotel room tax revenue is recognized in the period that consumers are charged the tax on their accommodation by the provincial government.

Program revenues are recognized in the period services are rendered.

Subscription revenues in the *British Columbia Magazine* operations are deferred and recognized as the magazine is published.

Contributed surplus is amortized to revenue over the expected life of the buildings which they fund.

(b) Intangible assets

Trademarks are amortized on a straight-line basis over their estimated useful life of 10 years.

(c) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value, with cost being determined on a first in first out basis. Supplies inventories are valued at cost.

(d) Related parties

Tourism British Columbia is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at the exchange amounts.

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

(e) Property, plant and equipment

Property, plant and equipment are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Estimated useful lives are as follows:

Buildings	40 years
Computer equipment	3 years
Destination management system & websites	3 years
Furniture and equipment	5 years
Leasehold improvements	Term of lease
Trademarks	10 years
Trail improvements	10 years
Vehicles	5 years

Computer software and assets costing less than \$500 are expensed in the year of purchase.

(f) Foreign currency translation

Any foreign currency transactions are translated into Canadian dollars at the rate of exchange in effect at the transaction date. Any foreign currency denominated monetary assets and liabilities are stated using the prevailing rate of exchange at the balance sheet date.

(g) Construction-in-progress

Assets under construction or development are recorded at cost and include direct costs during construction or development. When these asset are operational, their costs will be amortized over their estimated useful lives.

(h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of the revenues and other expenditures during the period. Actual results could differ from these estimates.

(i) Future Accounting Pronouncements

The following summarizes the future accounting changes that will be relevant to the Corporation's consolidated financial statements subsequent to March 31, 2008. These standards are effective for fiscal years beginning on or after October 1, 2007 and the Corporation is currently considering the additional disclosures, if any, required in future financial statements.

Capital Disclosures

The Canadian Institute of Chartered Accountants (CICA) has issued a new accounting standard: Section 1535 Capital Disclosures, which requires disclosure of information about an entity's capital and the objectives, policies, and processes for managing capital.

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

Financial Instruments – Disclosure

The CICA has issued two new accounting standards on financial instruments: Section 3862 Financial Instruments – Disclosures, and Section 3863 Financial Instruments – Presentation, that revise and enhance the current disclosure requirements but do not change the existing presentation requirements for financial instruments. The standards are effective for fiscal years beginning on or after October 1, 2007. The new disclosures will provide additional information on the nature and extent of risks arising from financial instruments to which the Corporation is exposed and how it manages those risks.

(j) Changes in Accounting Policies

Effective April 1, 2007, the Corporation adopted two new accounting standards that were issued by the CICA: Section 1530 Comprehensive Income, and Section 3855 Financial Instruments – Recognition and Measurement. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements.

Under the new standards, all financial assets must be classified as held-to-maturity, loans and receivables, held-for-trading or available-for-sale and all financial liabilities must be classified as held-for-trading or other financial liabilities. This classification will determine how a financial instrument is valued.

The Corporation had the following financial assets and liabilities and has selected the following classifications:

	Classification	Initial	Subsequent
Financial Assets			
Cash	Held for trading	Fair value	Fair value
Accounts receivable	Loans and receivables	Fair value	Amortized cost
Loans receivable	Loans and receivables	Fair value	Amortized cost
Financial liabilities:			
Accounts payable and accrued	Other financial liabilities	Fair value	Amortized cost
Long term liabilities (excluding			
leave/future liability)	Other financial liabilities	Fair value	Amortized cost

The Corporation has assessed the impact that these Handbook Sections have on the 2008 financial statements and has determined that the Corporation's financial assets and liabilities fall into the categories of held-for-trading, available-for-sale, loans and receivables and other financial liabilities. These instruments are measured at their fair value or amortized cost. As a result of the assessment, the Corporation has no changes to comprehensive income that affect the current financial statements.

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

3. Program revenue	2008	2007
BC Magazine	2,545	2,409
Commission and sign up fees	2,630	2,717
Listing fees	1,376	1,382
Display ads	691	689
SuperHost	291	319
Merchandise sales and royalties	312	274
Quality assurance program	164	190
Miscellaneous	48	63
	<u>8,057</u>	<u>8,043</u>

4. Financial instruments

The Corporation's financial instruments consist of cash held in its various bank accounts, accounts and loan receivable, accounts payable and long term liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risk arising from these financial instruments.

5. Loans receivable

	2008	2007
Adventure Management Ltd. - Coquihalla Visitor Centre	50	50
Adventure Management Ltd. - Mt Robson Visitor Centre	60	60
Kicking Horse Mountain Resort Ltd - Golden Visitor Centre	42	42
Destination Osoyoos Development Society - Osoyoos Visitor Centre	26	26
Marquise Facilities Corp. - YVR Visitor Centre	15	-
	<u>193</u>	<u>178</u>

The purpose of these loans is to support a royalty model for merchandise sales at these Tourism British Columbia operated Visitor Centres by providing financing for the purchase of inventory for resale. Interest on these loans is currently calculated at 5% per annum, payable monthly, with the principal due upon termination of the contract.

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

6. Property, plant and equipment

	2008		2007
	Cost	Accumulated Amortization	Net Book Value
Contributed land (Note 10)	1,260	-	1,260
Assets under construction			
Peace Arch Visitor Centre	752	-	752
Reservation System (VANOC)	532	-	532
Korea website	53	-	53
Merritt Visitor Centre	38	-	38
Financial system upgrade	11	-	11
	1,386	-	1,386
Destination management system	5,808	4,819	989
Consumer websites	3,144	2,152	992
Osoyoos Visitor Centre	1,942	51	1,891
Computer equipment	1,536	1,481	55
Furniture and equipment	1,034	771	263
Leasehold improvements	888	600	288
Trail improvements	553	145	408
Vehicles	87	55	32
	14,992	10,074	4,918
	17,638	10,074	7,564

7. Intangible assets

	2008		2007
	Cost	Accumulated Amortization	Net Book Value
Registered trademarks	531	287	244

8. Long term liabilities

	Employee leave liability	Employee future benefits	Holdback for contracts	2008	2007
Total long term liabilities	422	304	50	776	676
Less current portion	(273)	(24)	-	(297)	(228)
Net long term liabilities	149	280	50	479	448

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

9. Commitments

The future remaining commitments are:	08/09	09/10	10/11	Beyond	Total
Contractual obligations	30,081	14,467	9,671	8,357	62,576
Office lease commitments	1,426	1,397	1,252	3,512	7,587
	<u>31,507</u>	<u>15,864</u>	<u>10,923</u>	<u>11,869</u>	<u>70,163</u>

Tourism British Columbia has many contractual obligations, all of which contain a termination clause.

10. Accumulated Other Comprehensive Income

	2008	2007
Accumulated other comprehensive income - opening	1,260	-
Restatement adjustment from Contributed Land	-	1,260
Accumulated other comprehensive income - current period	-	-
Accumulated other comprehensive income - closing	<u>1,260</u>	<u>1,260</u>

Effective April 1, 2007, Tourism British Columbia adopted a new accounting standard that was issued by the Canadian Institute of Chartered Accountants ('CICA'): Comprehensive Income ('Section 1530').

This accounting policy change is adopted on a prospective basis with the exception of donated assets which are restated. As a result, other comprehensive income has been restated for the donated land received in 2004.

In May 2004, Trans Canada Trail Foundation donated land parcels of former rail trails to Tourism British Columbia. This land has been recorded at \$1,259,800 on the balance sheet based on the property assessments at the time of transfer.

11. Deferred Contribution

On May 15, 2004, Tourism British Columbia signed a contribution agreement with the Community Futures Development Corporation (CFDC) under the Softwood Industry Community Economic Adjustment Initiative (SICEAI), a federal government program aimed at "offering sustainable and tangible economic benefits" to communities impacted by the softwood lumber dispute with the United States. Under the terms of the agreement, CFDC will match funding towards "Rails to Trails infrastructure improvements" up to a maximum of \$2.1 million. The trails eligible under the agreement include both Tourism British Columbia and other crown land. Tourism British Columbia has recorded its contribution of \$552,800 as trail improvements, and unspent contributions from regional districts of \$93,000 (2006/07: \$76,000) as a deferred contribution, pending completion of the trail improvements.

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

12. Employee benefit plans

Employee future pension benefits

Tourism British Columbia and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2005) determined that the Plan had an unfunded liability. As a result, the actuary determined that an increase in contribution rates of 1.88% each, for plan members and employers, was necessary in order for the Plan to maintain its long term financial soundness and thus its ability to meet the pension promise made to Plan members. The increase in rates was introduced effective April 1, 2006. The total amount paid into this pension plan by Tourism British Columbia for the 2007/08 fiscal year was \$759,188 (2006/07: \$661,897).

Employee future post-retirement benefits

Obligations for employee retirement allowances are detailed in the Corporation's collective agreement. The Corporation has accrued the estimated costs of these benefits, and has adopted the policy on a prospective basis with no retroactive restatement of prior year amounts. The total amount accrued in long term liabilities at March 31, 2008 was \$279,915 (2006/07: \$260,578).

Employee pension - United Kingdom

Tourism British Columbia implemented a defined contribution pension plan for staff working in the United Kingdom in fiscal 2004. Staff contribute 5% of their base salary with a matching amount contributed by Tourism British Columbia. The pension plan is administered by Thomson's Wealth Management, a contracted pension administrator located in the United Kingdom. The total amount paid into this pension plan by Tourism British Columbia for the 2007/08 fiscal year was \$10,752 (2006/07: \$5,568).

13. Provincial operating grants and contributions

	<u>2008</u>	<u>2007</u>
Grants		
Ministry of Tourism, Sport and the Arts	19,855	20,050
Contributions		
Ministry of Transportation	81	59
Ministry of Tourism, Sport and the Arts	78	3
Ministry of Economic Development	29	-
Ministry of Finance	-	308
Union of BC Municipalities	-	302
	<u>188</u>	<u>672</u>
	<u>20,043</u>	<u>20,722</u>

TOURISM BRITISH COLUMBIA
Notes to the Financial Statements

Year ended March 31, 2008
(tabular amounts in \$000s)

The grant from the Ministry of Tourism, Sport and the Arts is provided to supplement Tourism British Columbia's share of the Hotel Tax; \$250,000 was deferred from 2006-07 and a further \$30,000 contribution was made in Fiscal 2007/08 for a tourism research project, of which \$5,000 has been deferred; an additional contribution of \$47,940 is recognized per Note 14 below. The Ministry of Economic Development contributed \$65,000 in fiscal 2007/08 for various 2010 Olympics initiatives; \$35,697 has been deferred. A Ministry of Transportation contribution of \$317,000 was received in fiscal 05/06 for Visitor Centre signage; \$59,000 was spent in previous years, \$81,000 was spent in the current year and the balance of \$177,000 has been deferred.

14. Contributed surplus

Tourism British Columbia received \$8.0 million from the Ministry of Tourism, Sport and the Arts for the construction of new Visitor Centres at Merritt, Peace Arch and Osoyoos. These funds have been recorded as contributed surplus and are being recognized as revenue over the estimated life of the buildings. Amortized revenue for the period was \$47,940.

15. Cash

Cash for restricted purposes represents funds received for construction of Visitor Centres and trail improvements.

	2008	2007
Unrestricted cash	10,040	16,965
Restricted cash		
Merritt Visitor Center	2,962	2,976
Peace Arch Visitor Center	2,248	2,812
Rails to Trails	93	78
Osoyoos Visitor Center	58	389
Cash for restricted purposes	5,361	6,255
	15,401	23,220

16. Government directed payment

Tourism British Columbia was directed by the Provincial Government to pay \$3.0 million towards the construction and operation of BC House for the 2008 Summer Olympic Games being held in Beijing, China.

17. Comparative figures

Certain comparative figures in the financial statements have been restated to conform with the current year presentation.

2007 - 2008 BOARD OF DIRECTORS

Allen Tozer Chair

Allen Tozer was appointed to the Board in March in 2002 and is President of Lexlaur Properties Inc., a hospitality and commercial property company. Mr. Tozer is a member of the Board of Governors of Okanagan College, Member of the Board of British Columbia Assessment, Vice President of Finance and Director of Thompson Okanagan Tourism Association and Coordinator of the Okanagan Wine Festivals Society. He served as President of the Thompson Okanagan Tourism Association in 1998, and of its precursor – the Okanagan Similkameen Tourism Association – from 1995 to 1998, after serving five years as a director.

Kevin Walker Vice Chair

Kevin Walker was appointed in 2006 and is President of Walker Hospitality which owns and operates the Oak Bay Beach Hotel in Victoria and manages the Miraloma on the Cove, a 5-star boutique hotel in Sidney, British Columbia. With a career in tourism spanning 30 years, Kevin Walker is currently a member of the Premier's Tourism Industry Advisory Council, Chair of the Hotel Association of Canada and in 2005 he received the prestigious "British Columbia Tourism Industry Leader of the Year" award.

Bill Barkley

Bill Barkley was appointed in 2006 and is very well known in museum, heritage and tourism circles. He spent 24 years in management at the Royal British Columbia Museum and was the CEO from 1984 to his retirement in 2001. Currently Mr. Barkley is a busy cultural consultant working on projects in British Columbia and across Canada. He serves on several boards including the Craigdarroch Castle, the Nature Conservancy of Canada, the Federation of Canadian Friends of Museums, and as chair of the Virtual Museum of Canada.

David Brownlie

David Brownlie was appointed in 2006 and is the President and Chief Operating Officer of Whistler Blackcomb Mountain Resorts Limited. Originally appointed as Director of Finance in 1989, Mr. Brownlie has been integral to the vision, growth and success of the organization over the last 18 years. He also serves as President of the Whistler Blackcomb Foundation and as a member of the Board of Directors for Tourism Whistler. Mr. Brownlie is a member of the Institute of Chartered Accountants of British Columbia and holds a Bachelor of Commerce from the University of British Columbia.

Michael Campbell

Michael Campbell was appointed in 2007 and is the Managing Partner of the Best Western Inn at Penticton and the immediate Past President of the Council of Tourism Associations. Mr. Campbell is the co-founder of the Pentastic Hot Jazz Festival and has been involved in the tourism industry for over 35 years. He is Past President of the Penticton Motel and Campground Owners Association, the Penticton Chamber of Commerce and Past Vice President of the Thompson Okanagan Tourism Association.

Harley Elias

Harley Elias was appointed in 2005 and is a Director for Tourism Campbell River and Region. He has a broad-ranging background in tourism education, market research, hospitality consulting, resort operations and management. Mr. Elias also serves as Co-Chair of the board of the BC Centre for Tourism Leadership and Innovation.

Terry Farmer

Terry Farmer was appointed in 2004 and is the Founder and President/CEO of Accent Inns Inc. He is Past President of the British Columbia Chamber of Commerce and has sat on many tourism business and charity boards. In 1998, he was awarded the "Entrepreneur of the Year Award" for Tourism and Hospitality (Pacific Region).

John Korenic

John Korenic was appointed in 2002 and is the Aviation Marketing Director for the Vancouver International Airport Authority. He was also formerly a Director of Pacific and Europe Alliances for Canadian Airlines International Ltd. and worked with Wardair Canada Inc. John's term ended March 31, 2008.

Charles McDiarmid

Charles McDiarmid was appointed in 2002 and is the Managing Director of the Wickaninnish Inn & Pointe Restaurant at Tofino, near the Pacific Rim National Park. He also served as Tourism Vancouver's Sales Director after working for the Four Seasons Hotel Group in management positions in Calgary, Newport Beach, Dallas, Seattle and Washington, D.C. Charles' term ended March 31, 2008.

Debbie McKinney

Debbie McKinney was appointed in 2006 and is General Manager, Group Sales and Marketing with one of British Columbia's most unique and popular historical visitor attractions – the Hell's Gate Airtram. She has extensive industry involvement including a wide range of positions with the Vancouver Attractions Group, Vancouver, Coast & Mountains Tourism Region and the Council of Tourism Associations. She currently chairs the Vancouver Attractions Group and has a strong commitment to destination development and marketing the **Super, Natural British Columbia®** brand to the world.

Stuart McLaughlin

Stuart McLaughlin was appointed in 2002 and is President of Grouse Mountain Resorts, Whistler Water, Polaris Water Company and Director of the Mountain Experience for Kicking Horse Mountain Resort. He is a Past Chair of Tourism Vancouver. Stuart's term ended March 31, 2008.

Judith Sayers

Judith Sayers was appointed in 2007 and is the elected Chief of the Hupacasath First Nation in Port Alberni and has extensive experience as a lawyer, negotiator, researcher and writer. Her educational background includes a business degree, a law degree from the University of British Columbia and an honorary Doctor of Laws from Queen's University. Ms. Sayers is an active board and committee member in a variety of organizations including the Pacific Salmon Endowment Fund and the Economic Development Advisory for British Columbia. She is also a Task Group Member of the First Nations Summit.

Mike Smith

Mike Smith was appointed in 2006 and is a Principal with Links Investments Ltd, a consulting/management business focusing on the golf industry in British Columbia. He was the owner/operator of a successful group of retail stores in the Kootenay Rockies and has extensive experience in destination marketing. Currently Chair of Kootenay Rockies Tourism, Mr. Smith has contributed tremendously to the development of the tourism industry in British Columbia.

Shaun Stevenson

Shaun Stevenson was appointed in 2007 and is the Vice President, Marketing and Business Development for the Prince Rupert Port Authority. Mr. Stevenson joined the Prince Rupert Port Authority in the role of Marketing and Communications Officer in 1997. Mr. Stevenson holds a Bachelors degree in Business Administration and a Diploma of Marketing Management from the British Columbia Institute of Technology. He is currently on the Executive Committee of Cruise British Columbia and is Past President of both the Northern British Columbia Tourism Association and Tourism Prince Rupert.

Mike Tretheway

Mike Tretheway was appointed in 2007 and is Executive Vice President of InterVISTAS Consulting Inc., an employee-owned consulting practice that specializes in the transportation and tourism industries. He has a PhD in economics and served 14 years as Associate Professor in the Sauder School of Business at the University of British Columbia. Before co-founding InterVISTAS in 1997, he served as Special Advisor to the President of the Vancouver International Airport Authority.

2007 – 2008 STANDING COMMITTEES OF THE BOARD

The Audit Committee reports to the Board of Directors on financial and administrative issues and oversees systems of financial control, reporting and audit.

Members:

Dave Brownlie, CA (Chair), Mike Smith

The Human Resources Committee reports to the Board of Directors on human resource issues and oversees compensation practices of the Corporation, succession planning and corporate development.

Members:

Terry Farmer (Chair), Bill Barkley

The Governance Committee assists the Board of Directors with best governance practices and with the nomination and recommendation to the Minister responsible and Lieutenant Governor in Council, of the recommended candidates to fill board seats, as member's terms expire.

Members:

Harley Elias (Chair), Michael Campbell, Debbie McKinney

The Board Chair and Vice Chair have an open invitation to sit on any Board Committee.

TOURISM BRITISH COLUMBIA SENIOR MANAGEMENT

Rod J. Harris, President and Chief Executive Officer

Rod Harris was appointed President and CEO of Tourism British Columbia upon its establishment as a Crown corporation in 1997. He holds a Bachelor of Commerce and MBA, with a major in Marketing, along with Professional Certification from the Institute of Canadian Advertising.

Prior to his appointment at Tourism British Columbia, he served as an executive with major Canadian marketing and advertising companies such as MacLaren Advertising and John Labatt Limited. He has also been a senior manager responsible for marketing leading brands of such multinational corporations as Colgate-Palmolive, Sara Lee and Lever Brothers.

As CEO of Tourism British Columbia, he leads the global marketing of the **Super, Natural British Columbia**[®] brand during which time, he has served as a past member of the Board of Directors of the Canadian Tourism Commission, the Vancouver 2010 Bid Corporation and the Pacific Asia Travel Association.

Under his direction, Tourism British Columbia has won Gold Medals from the Canadian Marketing Association (2001), the Pacific Asia Travel Association (2000) and the Canadian Direct Marketing Association (1998). Tourism British Columbia was named British Columbia's Marketer of the Year by the American Marketing Association (1999). In addition, the Corporation was recognized by Watson Wyatt Worldwide as British Columbia's "12th Best Employer" in 2002 and in 2004 as the Province's "2nd Best Employer". In 2007, *Canadian Business Magazine* recognized Tourism British Columbia as one of Canada's Top 50 Employers.

Grant Mackay, Vice President, Marketing & Sales

Grant Mackay was appointed Vice President of Marketing & Sales in 1997, and is responsible for developing Tourism British Columbia's marketing and sales strategies. He joined Tourism British Columbia in 1995 after 17 years of management experience in the packaged-goods industry.

Rick Lemon, Vice President, Visitor Services

Rick Lemon was appointed Vice President of Tourism Operations in 1997 and has been with Tourism British Columbia for 26 years. He is responsible for visitor services and sales, tourism product management and research training services. Rick designed the groundbreaking **SuperHost**[®] training program and has been extensively involved with tourism development throughout British Columbia.

Don Foxgord, Vice President, Business Development

Don Foxgord was appointed Vice President of Business Development in 1997 and is responsible for business development, **British Columbia Magazine**[™] and industry development. He joined Tourism British Columbia in 1987 after four years as regional manager of the British Columbia Rockies Tourism Region and has extensive experience in developing tourism around the province.

Len Dawes, CA, Vice President & Chief Financial Officer, Corporate Services

Len Dawes was appointed CFO of Corporate Services in 1998, and is responsible for Tourism British Columbia's financial, information and administrative systems. Len is a chartered accountant, and prior to joining Tourism British Columbia, worked in the Ministry of Finance.

Rose Moss, Vice President, Human Resource Development

Rose Moss was originally appointed Executive Director of Human Resources in 2000. She is responsible for developing and implementing Tourism British Columbia's human resource infrastructure, which includes compensation, performance management, career development,

recruitment, succession and labour relations. She has extensive HR experience in the private and public sectors.

Raymond Chan, Vice President, 2010 and Corporate Relations

Raymond Chan joined Tourism British Columbia in 1997, providing leadership on projects such as Tourism British Columbia's transition to a Crown corporation, the creation of an industry-government lobby for improved air access and development of British Columbia's *Tourism Strategic Framework 2005-2015*. In April 2005, he took on major responsibility for managing the growing opportunities resulting from the Vancouver 2010 Olympic and Paralympic Winter Games. He is Chair of the 2010 Tourism Consortium, a partnership of the host tourism destinations of British Columbia, Vancouver, Whistler and Canada to maximize the tourism benefits from 2010. Prior to joining Tourism British Columbia, he held senior positions with the province of British Columbia as Executive Director, Government Services and Executive Director, Purchasing Commission. He is an MBA graduate of the University of British Columbia.

GLOSSARY

Many of these terms are relevant for the British Columbia tourism industry.

ADS – Approved Destination Status (with China)

CFDC – Community Futures Development Corporation

CICA – Canadian Institute of Chartered Accountants

COTA – Council of Tourism Associations of BC

CTC – Canadian Tourism Commission

DMO – Destination Marketing Organization

DMS – Destination Management System

FIT – Fully Independent Travel

FAM – Familiarization Tour of Tourism Product

HRD – Human Resource Development (British Columbia Tourism HRD Task Force)

IAGTO – International Association of Golf Tour Operators

ITB – International Tourism Bourse

RDMO – Regional Destination Marketing Organization

SICEAI – Softwood Industry Community Economic Adjustment Initiative

TAWNC – Tourism Alliance for Western and Northern Canada

TIAC – Tourism Industry Association of Canada

TIC – Tourism Industry Conference

UBCM – Union of British Columbia Municipalities

WED – Western Economic Diversification

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